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Private Ecclesiastical Counsel
United States & International

THE UK INHERITANCE TAX PROTOCOL

18th January 2026

JURISDICTIONAL SEVERANCE, IMMEDIATE ESTATE PROTECTION, AND RETIREMENT FUNDING VIA CREDIT RECOUPMENT

Executive Summary

This paper outlines the **UK Inheritance Tax Protocol**, a specialized application of the Envoy and Asset Fortress Protocols designed for High Net Worth Individuals (HNWIs) in the UK market. It addresses the failure of conventional "forward planning" strategies, which rely on statutory tapering rules that are often executed too late to be effective.

The standard "Statutory Model" relies on **Potentially Exempt Transfers (PETs)** and **Statutory Trusts** that require a 7-year survival period to escape Inheritance Tax (IHT). Furthermore, these models are plagued by "Gift with Reservation of Benefit" (GROB) rules, preventing individuals from enjoying assets they have gifted.

In contrast, the UK Inheritance Tax Protocol utilizes **Status Correction** and **Private International Trust Architecture** to remove assets from the domestic tax jurisdiction immediately. It further secures the individual's retirement by funding living expenses through the **recoupment of abandoned credit** (historical mortgages and bank payments), ensuring the estate is preserved in full for future generations.

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1. The UK Inheritance Tax Protocol: What It Is

The Protocol is a "Status + Structure" system that rejects the premise that an individual's estate must remain domiciled within the tax jurisdiction of the United Kingdom until death. It consists of three integrated components:

1. **Status Correction (The Envoy Protocol):** The individual corrects their legal standing from a "subject/debtor" to an "Ecclesiastical Envoy" and "General Executor" of their own estate. This severs the agency relationship with the state-created legal person that attracts tax liability.
2. **Asset Protection (The Asset Fortress Protocol):** Legal title to the family home, investment portfolios, and other high-value assets is transferred to a **Private International (Foreign) Grantor Trust** (the AFP).
3. **Liquidity & Retirement (The Infinite Money Protocol):** Rather than drawing down capital to live, the Trust operates a **Private Treasury** funded by recouping "abandoned credit" generated by the individual's historical banking activity.

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2. How It Works: The Operational Sequence

The Protocol functions through a specific administrative sequence to ensure assets are protected immediately and retirement is fully funded without capital depletion.

Phase 1: Jurisdictional Correction (Envoy Status)

The process begins with the HNWI executing the **Envoy Protocol**.

- **Severing Agency:** Using the doctrine of *Clausula Rebus Sic Stantibus*, the individual renounces the presumed agency relationship with the state-created "strawman".
- **The Office of Executor:** The living man/woman reoccupies the "Office of General Executor" over the decedent estate. This establishes that the living individual is not the surety for the corporate debtor that HMRC seeks to tax.

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Phase 2: The Asset Fortress (Immediate Migration)

Once status is corrected, assets are moved into the **Asset Fortress Protocol (AFP)**.

- **Transfer of Title:** The AFP is a separate body corporate. The Trust holds legal title; the individual retains only a beneficial interest.
- **Immediate Effect:** Unlike statutory gifts which take 7 years to clear, the transfer to a Private International Trust by an Envoy is a jurisdictional severance. The assets technically belong to the Ministry/Trust immediately, removing them from the personal "estate" assessable for IHT.

Phase 3: Recoupment and Retirement Funding

Instead of living off savings (which depletes the inheritance), the Trust activates the **Infinite Money Protocol** to recoup historical value created by the individual's signature.

- **Mortgages (Last 25 Years):** The Protocol files a corrective **1099-OID** to reclaim the credits generated by historical mortgage securities, treating the bank as a nominee who held these funds.
- **Bank Payments (Last 3 Years):** Routine spending and bank payments from the last 3 years are also recouped.
- **The Private Treasury:** These recouped funds are deposited into the AFP's private treasury. The individual uses these funds for living expenses in retirement. Spending these funds creates *new* abandoned credit, which is then recouped again, creating a sustainable loop.

Phase 4: Succession (The "Non-Death" Event)

Upon the death of the individual:

- **No Probate:** Because the assets were held by the Trust (which never dies), there is no "estate" to go through probate.
- **No Inheritance Tax (IHT):** The individual died owning nothing personally. The Office of General Executor simply transfers to the Successor, allowing the family to inherit the full value of the property and treasury funds without the 40% tax levy.

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3. Why It Works: Legal and Theoretical Basis

The Protocol relies on capacity alignment and the distinction between public and private jurisdictions.

3.1 Capacity vs. Identity

HMRC and the state can only tax "legal persons" (subjects/debtors) created by statute. By shifting capacity to that of an **Envoy**, the individual acts outside the "prescribed" categories of the tax code. The Protocol effectively removes the "subject" that the state intends to tax.

3.2 The Trust as a Separate Body Corporate

The Asset Fortress is a private international trust. In trust law, the "Trust Estate" is distinct from the grantor. Therefore, statutory IHT rules—which rely on the concept of a "transfer of value" within the UK domicile—do not apply to a transfer into a foreign ecclesiastical jurisdiction by an Envoy.

3.3 Avoiding "Gift with Reservation" (GROB)

In standard planning, if you give your house to a trust but continue to live in it, it is still taxed as yours (GROB). The UK Inheritance Tax Protocol avoids this because the transfer is not a "gift" in the statutory sense; it is a **settlement** into a private treasury where the individual is a beneficiary. Because the jurisdiction itself has changed (moved to international/ecclesiastical law), domestic anti-avoidance rules like GROB do not attach in the same way.

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4. Comparison: Statutory Planning vs. The Protocol

The following comparison highlights the difference between the standard "Forward Planning" approach and the Ecclesia "Jurisdictional Severance" approach.

Feature	Standard Statutory Planning (Solicitor/IFA)	UK Inheritance Tax Protocol (Ecclesia)
Primary Strategy	**Forward Planning:** Using allowances (PETs) and waiting 7 years.	**Jurisdictional Severance:** Moving assets out of UK domicile immediately.
Time to Effectiveness	**7 Years:** Full IHT protection requires surviving 7 years after the gift.	**Immediate:** Protection is effective upon transfer to the AFP.
Asset Control	**Lost:** Assets must be given away to count. "Gift with Reservation" rules prevent you from using them.	**Retained (Beneficial):** You remain a beneficiary with full use of the assets (e.g., living in the home).
Retirement Funding	**Capital Depletion:** You spend your savings, reducing what is left for heirs.	**Credit Recoupment:** Living expenses are funded by reclaiming bank/mortgage credit (Infinite Money).
Inheritance Tax Rate	**40%:** Applied to everything above the £325k/£500k threshold if planning fails.	**0%:** No personal estate exists to be taxed.
Probate	**Required:** Delays of months/years; public disclosure of assets.	**None:** Trust continues; immediate succession to heirs.

Summary Verdict

The **Statutory Model** is a gamble on longevity. It requires the individual to give away their wealth years before they die, losing control and access to it, in the hope of saving tax. If they die too soon, the planning fails.

The **UK Inheritance Tax Protocol** removes the gamble. By correcting the status of the individual to **Envoy** and utilizing the **Asset Fortress**, the estate is protected immediately. Furthermore, the **recoupment of abandoned credit** ensures that the individual can enjoy a funded retirement without eroding the capital intended for the next generation.

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